

The **co-operative** insurance good with money

Our policy on reviewable premiums

1. Some of our critical illness and income protection products have reviewable premiums; i.e. premiums that can be changed after a certain period of time.
2. The product literature we gave you when you bought these products will explain that premiums may increase, decrease or stay the same after the guaranteed period, and we'll write to you every year if your premiums increase or decrease.
3. The premiums you pay are based on a variety of factors, and we don't intentionally offer you low initial premiums in the expectation of increasing them at a future review date.
4. After the first review, we'll review your premiums at least once a year. If we review your premiums more than once in a review period, we'll only make one change in that period.
5. Although we may increase or reduce premiums, we won't change premiums if the required change is less than 1 per cent of the total premium paid, or if the cost of making the changes is too great compared to the benefits.
6. There's no maximum limit on the change in premium that can take place following a review.
7. Premiums can only change because of the following factors (valid reasons):
 - changes in claims (death and illness) experience, trends and expectations
 - changes to expenses outside our control; for example, changes to the costs of providing our care planning service, or changes to the tax levied on this type of business
 - changes in persistency (how long customers keep their products) experience, trends and expectations
 - changes to future expectations of investment returns.
8. We'll use the following sources of information:
 - a. in-house investigations of claims and persistency experience
 - b. external data including reinsurers', industry and national statistics data
 - c. The Co-operative Insurance's, reinsurers' and industry-wide views of future trends and expectations in claims and the impact of future medical advances and practices.
9. We won't change premiums:
 - to recoup past investment losses
 - to pass on past investment profits
 - to increase profit
 - unfairly to target a particular group of policyholders for an increase or decrease in premium
 - to seek to cover losses/higher costs incurred elsewhere in the business
 - to recoup earlier losses from claims
 - to pass on earlier claims profits
 - to seek to cover higher than expected expenses that are under our control.
10. Notification terms
 - a) We'll give you at least 30 days' advance written notice of changes unless the terms and conditions of your policy indicate that a longer notice period is required.
 - b) If we need to increase your premiums, we'll tell you why and offer you the alternatives of
 - i. a benefit reduction to maintain your current premium level, or
 - ii. cancelling the policy at no cost.

In addition, we may decide also to offer one or more other suitable options.

The default option will be to increase the premium, except for cases paid by standing order where the default will be to reduce the sum assured.

Part of The **co-operative** financial services

Please call 08457 46 46 46 if you would like to receive this information in an alternative format such as large print or Braille.

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